



April 2014

# From Business Entrepreneur to Social Entrepreneur

## An Interview with Oded Grajew

*In his transformation from successful private sector entrepreneur to social entrepreneur and presidential advisor, Oded Grajew has played a major role in shaping Brazil's—and the world's—business and civil society innovations during the last three decades. Below, Allen White of the Tellus Institute interviews Grajew about this transformation, his work with the World Social Forum, and what lies ahead.*

**During the last forty years, you have moved from business entrepreneurship to social entrepreneurship, co-founding the World Social Forum, among other ventures. What inspired this shift?**

During my time in business in the 1970s and early 1980s, my peers often responded with skepticism to my ideas about changing business practices. They told me that the ideas were impossible, that they were just dreams. When I took over leadership of Abrinq (the Brazilian Association of Toy Manufacturers) in 1986, I wanted to see if my ideas—changing relations between business and unions, business and society, business and government—were, in fact, achievable. Fortunately, many were. This was in the last years of the military dictatorship in Brazil. At that critical moment in Brazil's history, several colleagues and I created a new movement in Brazil called the New National Culture of Business to serve as a counterpoint to the very reactionary Industrial Association of Sao Paulo, which had been a strong supporter of the dictatorship.

### Does the movement still exist?

Yes, but it has changed a lot. When we launched the movement, we wanted to demonstrate alternative kinds of thinking and behavior for business—akin to social responsibility as we know it today. At the time, the idea of business as a force for social good was unprecedented.

### Did the end of the dictatorship in the late '80s make you feel personally liberated to try something new and different that earlier wouldn't have been feasible?

I began to seek change well before the dictatorship ended, as early as 1983. But even with the end of the dictatorship, there was little indication that business culture and practices would change. In 1990, I created the Brazilian Foundation for Children's Rights (Abrinq Foundation) in an effort to demonstrate how business could play a more active role in societal betterment. Traditional philanthropy had not previously existed in Brazil. The foundation still exists today and has become very important in Brazil for children's rights, especially protections against workplace abuse.

I grew more and more drawn to issues of social change. It was very difficult for me to see a problem and do nothing about it. As president of the Abrinq Foundation, I began having a deeper impact than I could as a businessman and started spending more and more of my time on the social aspect of my work. My transition out of the business world followed a natural progression. I never thought about what could happen in the future; I was just doing what seemed best at the moment.

### By the mid '90s, you had left private enterprise, founding Instituto Ethos in 1998. Shortly thereafter in 2000, you played a critical role in building the World Social Forum. If I remember correctly, it developed out of a sense of frustration you felt after attending the World Economic Forum.

That's correct. The representative of the German toy manufacturer that held 20 percent ownership in my company was the brother of Klaus Schwab, the president of the World Economic Forum. I talked with Schwab through his brother and tried to tell him that he should use the World Economic Forum to improve business social responsibility. I felt like I was talking to a wall. He kept saying, "Oh, no, the market will resolve all these problems."

In 2000, I was in Paris with my wife around the time of the World Economic Forum. The Forum and its organizers dismissed their critics by saying that they had no fresh ideas or that they were opposed to modernity. I remember that Carlos Menem, the right-wing president of Argentina, received the red carpet treatment at the World Economic Forum and was offering his country as an example for all of Latin America to follow. He bankrupted the country! I saw that the economics-centric WEF needed a counterweight, a people-centric forum to think about ways of improving the world. I shared the idea with Brazilian friends and others in Paris, especially those around Le Monde Diplomatique. Soon, we began to discuss hosting it in Porto Alegre, Brazil.

### **Why Porto Alegre?**

It had gained a reputation as an enlightened city because it was implementing a participatory budget process. I also knew the mayor and the governor of the state. I knew the idea of a WSF had potential, but it had to be tested. The first WSF attracted 20,000 attendees, the second 40,000, and then next 100,000. The idea was validated.

### **At the time you conceived the WSF, what exactly did you think would result? Simply a place to meet and have a conversation with thousands of people? Or as something deeper, more like a global civil society movement?**

A process evolves. A political process is not an academic process. It changes priorities, changes culture, and changes minds, and then action follows. This was a new process, one without formal leadership. One of the WSF's principles is to value diversity, to let people decide what is important and how to achieve it. This can't occur if you tell them what to think and what to do in advance. This was a new process aimed at bringing millions together because we believed that if you bring people together, you can catalyze change. Injustices happen because the majority of the population does not yet have a collective voice or political power. Social change is impaired by isolation and fragmentation.

### **Looking today, how do you assess the progress of the World Social Forum, and social justice and sustainability in general? Has the WSF helped achieve a greater sense of global solidarity?**

The World Social Forum has played a role but is certainly not alone. One of its most important roles, as I see it, is to moralize our vision of the economy. In 2000, some were saying that we had

achieved the end of history, that Western-style free markets would guarantee happiness and fairness for all. And it was an echo chamber among elites—the political class, the media, etc. Since then, I think a more balanced understanding of the limitation of free markets has taken root and that more people believe that another world is possible. At the first World Social Forum, we had thousands of people from Latin America—a variety of associations, organizations, and individuals that had never been together before. And if you look at the political map of Latin America now compared to pre-2000, it is completely different.

### **In terms of the democracy movement?**

Exactly. Prior to 2000, we had very conservative governments throughout Latin America, with leaders like Carlos Menem, whom I mentioned earlier. Today, the landscape is very different across the continent—in Venezuela, Bolivia, Brazil, Uruguay, Argentina, Chile. I believe that the WSF contributed to this shift. Many of the leaders of Arab Spring originally met at the World Social Forum events as well. The presidents and prime ministers in Europe and the United States were surprised by the democratic uprisings. The big media journalists who went to Davos told me they had no idea what was happening in the Arab countries and in Africa. They would ask the son of Gaddafi how Libya was doing. He'd say it was all under control, and that's exactly what they would report. The seeds of change had been planted, but the mainstream political and media establishment failed to take note.

### **Are there other examples of social and political change you attribute to the World Social Forum?**

The World Social Forum also played an important role in the anti-war movement. When the US invaded Iraq, it originally planned to do so in cooperation with other countries. The WSF helped lay the foundation for the big demonstrations in France, Germany, and Italy against the war. France and Germany's decision to stay out saved a lot of lives and showed the power these movements could have. And today, WSF's influence is discernible. Recent street demonstrations in Brazil were orchestrated by organizations that had strategized at WSF meetings. I think this is a new kind of networked process—decentralized and distributed—as we saw in the cases of the Occupy movement and the Chilean student movement. And, again, the latest World Social Forum in Tunisia in March 2013 was a reminder that the Tunisian people were inspired by the WSF.

**In the last five years, you have been active in the UN Global Compact, a multilateral program entirely distinct from the grassroots character of the WSF. How do you see the prospects for social change in terms of grassroots efforts versus multilateral processes?**

I believe that institutions like the UN and national governments are not prepared to lead, but they must be part of the change. The problems we face are urgent, and the risks are huge. Governments in general are very tied to the businesses that finance political campaigns and the special interests that dominate the economy and the legislative process. The United Nations is a very anti-democratic organization, with five countries having veto power via the Security Council. It is incapable of adequately addressing all the big problems facing the world. Change must be led by people and organizations that pressure these governments unwilling or incapable of change. Governments react; they don't lead. Civil society-driven change is the only real option.

**From 2000 to today, we have seen profound technological development, particularly in terms of the Internet. How has this influenced the ability to work with such diffuse, decentralized networks and to galvanize civil society?**

Spreading the process has become much easier. Each year, many social forums take place on a local level, a regional level, and a national level. But we still also have one big event every one or two years to maintain global visibility and help discern the possibilities for change. My hope is that this ferment leads to real change. Years ago, growing up in Poland, my parents immigrated to Israel one month before the Second World War because they had the feeling that something bad was coming. The signs were coming from Hitler, who communicated his intentions quite clearly in his speeches and writing. My mother and my father tried unsuccessfully to convince their families to leave Poland with them. I'm here today because my parents listened and acted. Because of this, I always try to read the signs. Most of the time, people and businesses avoid seeing the signs and acting for change because change does not come easily. It can be risky or painful. But it is necessary.

Much good has come from the technological advances over the past decade, yet ominous signs for humanity and the planet are staring at us. We need a new global ethic for managing technological and other forms of change. What does an ethic tell you? It tells you how to make

choices and how to act. Today, it's not only the city or country that matters; it's the planet upon which we all depend, that binds all of us. A new global ethic tells us that we must live together within planetary limits. We have the capacity to make life better or destroy life altogether. The signs are clear. We need to inform people about these threats and mobilize ourselves for the decades ahead.

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## About the Interviewee



Oded Grajew is the co-founder of the World Social Forum, the former president of the Ethos Institute for Business and Social Responsibility, and the General Coordinator of the Program on Sustainable Cities in Brazil. In his career as a business entrepreneur, he founded a toy company and served as president of the Brazilian Association of Toy-Makers (1986-1992) and, later, the Latin American Federation of Toy-Makers (1990-1992) and the Association of Businessmen for Citizenship (1995-1998). He founded the Abrinq Foundation for Children's Rights in 1990 and served as a special advisor to President Luiz Inácio Lula da Silva.

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## About the Publication

Published as an Interview by the [Great Transition Initiative](#).

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Cite as Grajew, Oded. "From Business Entrepreneur to Social Entrepreneur." By Allen White. *Great Transition Initiative* (April 2014).

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The [Great Transition Initiative](#) is an international collaboration for charting pathways to a planetary civilization rooted in solidarity, sustainability, and human well-being.